

PHILIP MCBRIDE JOHNSON

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JUN 14 11:55

June 9, 2006

Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

COMMENT

Received CFTC
Records Section
6/14/06

Attn: Secretariat

RE: What Constitutes a Board of Trade Located
Outside of the United States

Dear Madam Secretary:

This brief note is provided to the Commission in response to its invitation for pre-hearing views on the subject identified above

It is my belief that all, or substantially all, of the derivatives markets in the world will conduct their business predominantly through electronic trading systems within the near future. This condition prevails already abroad and the U.S. exchanges are moving rapidly in that direction. Soon, every derivatives market will have trading terminals in all parts of the world.

This is why, in my view, "location" cannot be made to depend on whether a market operates electronically within a particular jurisdiction. In that case, all exchanges would be "local" everywhere, and potentially subject to regulation everywhere. There must be another answer.

Sincerely,



Philip McBride Johnson

cc. Chairman and Commissioners